

Developing Sustainable  
Membership-based  
Business Organizations  
In the West Bank  
and Gaza

Methodologies, Processes  
and Practices for Three  
Business Sectors

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Prepared by  
Patricia A. Siegel, CAE

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**Green Tower Bldg., 1<sup>st</sup> Floor, Al Nuzha St., Ramallah**

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## **Development Alternatives Incorporated (DAI) Market Access Program (MAP)**

### **Organizational Development Consultation Report**

#### **Background**

DAI's Market Access Program (DAI/MAP) was established to work with the public and private sector to develop a new economic paradigm to promote a friendly business environment, attract foreign investment, stimulate innovation and increase market share and exports for targeted Palestinian business sectors in the West Bank and Gaza.

The overall objective of this initiative has been to increase competitiveness as well as sales and trade outreach for those Palestinian firms represented by the targeted sectors. To support fully these business sectors, DAI/MAP focuses its efforts in three areas:

- service delivery  
technical support is provided to individual companies seeking to improve their overall operations and profitability
- policy management  
provide consultation and guidance in the development of the legislative and regulatory policies and procedures required to promote a positive and productive business environment for private business
- organizational development  
establish or strengthen membership-based business organizations (MBBOs) to serve as the conduit to affect change for the selected business sectors

The ultimate goal of this initiative is to create sufficient competencies among selected groups within both the public and private sectors to ensure the ongoing economic development in the West Bank and Gaza.

#### **Organizational Development Consultation**

##### **Project Goal**

DAI/MAP provides support to at least five targeted business sectors. The goal of this organizational development effort was to accomplish the following scope of work (as developed by DAI/MAP) with three business sectors (stone and marble, furniture, and information technology):

- To review the current status of three membership-based associations in terms of membership development, member services, leadership development, structure, governance, communications and financial management. The outcome of this review will be the baseline status for improving these associations to be sustainable businesses (membership organizations).

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- To work closely with MAP's Institutional Development Specialist (IDS), Sector Coordinators, and the local subcontractor to review what has been done and develop the methodology, approach and work-plan to build sustainable and effective associations.
  - To train board members of these associations in corporate governance, focusing on the role of the board in developing sustainable associations and how they can have an impact on the association as the representative of the sector and its members. The training could be done through a workshop for each association.
  - To train MAP's staff and the local subcontractor to be able to continue the work that the consultant will start through the presentation to the boards.
  - To develop the outline for a program on "Managing Associations" that will be offered to business associations as part of their capacity building.

In addition to providing the support and consultation as outlined above, the following deliverables would also be provided to DAI/MAP:

- An evaluation report of each association's current status and recommendations to upgrade, develop, redefine and assist to enhance their ability to serve related sectors.
- Methodology and approach for association building including training MAP staff and local subcontractors on using those tools.
- Plan of action for strengthening the three above-mentioned unions to be sustainable, effective and efficient membership based associations.
- Review and complete the outline of the Association Management Training Program.

### **Consultant's Methodology to Support Mission**

Over a three-week period (February 5-26, 2000), the following steps were taken to fulfill the expectations outlined in the scope of work and deliverables:

#### **1. Available Information Assessed to Achieve Greater Orientation**

- printed material relevant to each MBBO was reviewed
- printed material relevant to each business sector was reviewed
- printed material relevant the current economic, social and political environment of the West Bank and Gaza was reviewed
- group interviews with volunteer leaders (and staff where appropriate) for three business sectors were conducted
- individual interviews with DAI/MAP staff were conducted

#### **2. Framework for Organizational Development and Planning Designed**

- model for organizational development of membership-based business organizations was established
  - template for evaluating current organizational development status for membership-based business organizations was established
  - initial analysis of three membership-based business organizations providing general recommendations for organizational development was provided
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- planning process and template for use by DAI/MAP's Institutional Development Specialist and Sector Coordinators to assist membership-based business organizations in outlining the steps necessary to ensure their long-term sustainability was created

### **3. Planning Process Piloted**

- planning process and template was piloted with one MBBO (stone and marble) making necessary adjustments for future use
- general focus and direction (e.g. strategies to fulfill organizational objectives) of the two remaining MBBOs (furniture and information technology) was developed in cooperation with DAI/MAP staff, as well as the volunteer and staff leaders from each organization

### **4. Training and Development Provided to Key Groups**

- board orientation training session was conducted for each membership-based business organization
- two staff development sessions were conducted for DAI/MAP staff, selected clients, and subcontractors

### **5. Post Visit Follow-Up**

- program outline for a training program on association management designed to increase understanding and competencies among DAI/MAP staff, selected clients, and subcontractors developed (developed and sent under separate cover)
- evaluation report prepared providing highlight of overall visit, organizational development recommendations for three MBBOs, principles, processes and tools for organizational development assessment and planning, and draft plan for one membership-based business organization (stone and marble) as well as preliminary drafts of strategies for two MBBOs (furniture and information technology)

The remainder of this report provides greater detail of the steps highlighted above.

## **Membership-based Organizations**

### **General Overview**

Membership-based organizations contribute to the vitality of commerce, industry, education, and community and have been doing so for scores of years. They have had different names, such as "societies," "guilds," "assemblies," "unions," and "associations." Despite the difference in name, they share common features. They are created when a number of persons realize that their individual needs would be better served if they joined forces with others who share similar interests or problems. Their ultimate goal is to provide the following support to their members:

- forum for exchanging information
- vehicle for collective action
- means to promote and serve members' interests

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Whether membership-based organizations have had long or short histories, it is important to recognize that these groups are concerned with influencing or affecting some level of social change. A review of their vision, mission and goal (or objective) statements provide a clear understanding of why these organizations exist and what they are seeking to accomplish.

Exceptions do exist within this landscape. Some organizations have been established, given a name as specified above, for reasons other than those indicated. As a result of some legislative action or regulatory policy, individuals representing a specific interest are required to become members of a particular organization. Some of these organizations have assumed their responsibility and provided a wide range of products and services to support their membership. Others have not, resulting in a paradox where the members exist to support the needs of the organization rather than the organization existing to support the needs of its members. In addition, other groups that organized with the best intentions, find themselves unable to achieve their priorities because of constant organizational and interpersonal distractions often the result of poor planning and leadership development. Unfortunately, the result has generated a negative perception among many for becoming part of a membership-based organization.

History has often proven that exceptions will exist, but it is essential that these exceptions do not be mistaken to represent the norm. Most membership-based organizations have been formed with the express intent of achieving some form of positive change for their members. Their success, whether proactive or reactive in nature, is contingent on how well they build an organizational infrastructure to support and fulfill their commitment to their members. Five characteristics form the foundation of all membership-based organizations:

- have members
- provide products and services
- pool of volunteers and leaders<sup>1</sup>
- secure funding
- possess clear purpose for existence

This report provides a model for the development of an infrastructure that will enable an organization to take the steps necessary to achieve their goals.

## **Organizational Development: Model for Consideration**

### **Establishing an Infrastructure**

Despite the longevity membership-based organizations have had in this society, little attention has been paid to establishing an official body of knowledge for their effective management. While several theories might be used to explain why institutions of this kind could be in existence for so long without being examined, the result remains the same. Many attempts have

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<sup>1</sup> Note: Membership-based organizations clearly benefit from the expertise and experience of professional staff but an organization's success is not contingent on their employment as is evidenced by Alcoholics Anonymous (AA), Narcotics Anonymous (NA), and Mothers Against Drunk Driving (MADD)

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been made to document common and effective strategies and practices that have proven successful by various organizations. Over the years, anecdotes and samples have been collected by those in the profession and transformed into publications of various formats and sizes. But despite all these attempts, a standard and widely accepted model for development does not yet exist within the body of literature.

This obvious gap makes it difficult for those groups eager to establish an organization focused on achieving common goals. Many pull from previous experiences as members or professional staff. Others try to replicate those organizations that are similar in focus. This approach can achieve limited success. But building an organization in this manner might be as flimsy as building a “house of cards.” The form on the outside may look sturdy, but without the necessary infrastructure, it is doubtful how well the organization might withstand an unanticipated internal or external challenge or obstacle.

Many organizations have borrowed models, processes and practices from the business sector. While many of the practices may have immediate application, the underlying principles for operation do not. Membership-based organizations must not only recognize the inherent similarities and differences that exist but take appropriate action to make the modifications necessary for adaptation to this unique environment.

A more recent attempt has been made a few groups including the American Society of Association Executives and the Center for Excellence in Association Leadership (CEAL) to identify the key factors necessary to establish an infrastructure to support organizational development. The efforts developed by CEAL reflects over twenty years’ of research in working with and for non-profit organizations in both a staff and volunteer capacity in both the United States and Eastern Europe.

From those efforts, CEAL found that effective organizations possessed the following elements:

- vision, mission, goals
- organizational culture and values
- core program areas
- principles for program development
- policies and procedures for operation
- plan of action

### **Vision, Mission, and Goals**

A membership-based organization must have a purpose that is clear and easy to understand. This statement is most often found in the organization’s bylaws along with a series of goals or objectives that outline how it intends to accomplish its mission. Over time, many groups will modify these statements for promotional purposes without compromising the intent. In the more recent years, organizations have found it necessary to further clarify its purpose and existence to its members and the general public. As a result, they have often expanded the information often found in the bylaws to include the following:

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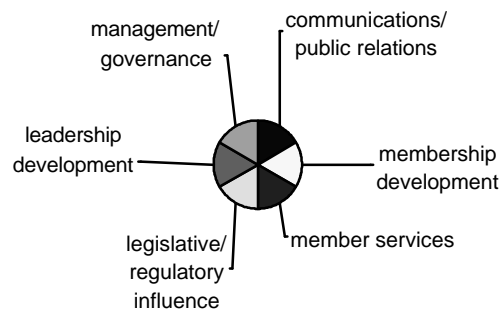
vision statement -- defines a concise, compelling picture of the preferable future by virtue of its existence and efforts  
mission statement -- defines why the organization exists and who it seeks to serve  
mission goals (or objectives) -- defines what it seeks to accomplish; what the desirable end results are that will enable the organization to achieve the mission

### **Organizational Culture and Values**

Every organized group possesses a set of shared beliefs, attitudes, practices, behaviors, and social norms. These may or may not be documented. Regardless, they exist. Those involved in these groups observe and experience them routinely. Perceptions about and decisions to participate in these groups are often based on actions and behaviors influenced by them. An effective organization is one that takes the time to assess its current culture and makes the modifications necessary to adapt it to achieve a more desirable one. Some groups have taken the time to establish or more fully define a set of values that is designed to guide volunteer and staff leaders in governing and managing the organization (see Appendix I: Values That Support Organization Governance and Management).

### **Core Program Areas**

Membership-based organizations are complex in nature. They consist of six core program areas that are interdependent. The success of an organization is measured on its ability to build effective relationships and strategies within, between and among these program areas. The more integrated the strategies, the more effective the organization can become in managing its resources to accomplish its goals.



The six core program areas include:

- **membership development**  
prospecting, recruiting, orienting, involving and renewing members
- **member services**  
programs, products and services designed to support member needs

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- **management and governance**  
policies, procedures, practices necessary to govern and operate the organization
  - **communications and public relations**  
mediums and tools for communicating effectively with members and other targeted groups
  - **legislative and regulatory influence**  
strategies necessary to influence legislative and other policies necessary to achieve a productive business environment
  - **leadership development**  
strategies designed to identify, recruit, train and support volunteer and staff leaders to increase their effectiveness

### **Principles for Program Development**

Principles are belief statements or assumptions that provide guidance in the development of the objectives, strategies and tactics designed to achieve goals of the membership-based organization. The use of principles within the association management literature has been fairly informal, not often discussed and most often simply incorporated into the body of a text. Effective membership-based organizations, however, recognize the importance of establishing a more formal set of principles designed to guide the selection of those strategies and tactics that will best support its desired end results. Principles may be general, specific or targeted in nature with each level reflecting an increasingly greater definition of beliefs and assumptions regarding selected strategies or actions (see Appendix II: Principles for Program Development in Membership-based Organizations).

### **Policies and Procedures for Operation**

Policies are agreed upon courses of action, often established by the volunteer leadership, used to guide present and future decisions. Policies may be added, modified and eliminated based on the factors relevant in the membership-based organization's environment. Procedures provide a set of steps that need to be followed in a particular order to achieve a desired end result (often to remain in compliance with a policy). A membership-based organization will have a wide variety of procedures to guide its governance and management operations.

### **Plan of Action**

Most membership-based organizations are non-profit in nature, although a few exceptions do exist. By their very nature, resources are often limited. By engaging in formal planning, these organizations have the opportunity to identify critical strategies and tactics designed to achieve its vision, mission and goals. But more importantly, when used, it provides a written "road map" for volunteer and staff leaders. As a result, it can become a powerful tool to accomplish the following: set goals and priorities; measure the distribution of resources, evaluate progress and accomplishments.

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It is often difficult for newly forming membership-based organizations to incorporate all of these elements immediately as a great deal of energy is divided between establishing the infrastructure and develop necessary programming. But it is important for the organization to incorporate the development of some of these elements within its planning process (e.g. assess culture and develop value statements, establish principles, etc.).

In the case of the MBBOs involved in the DAI/MAP mission, understanding these elements was only the beginning. The MBBOs involved in the DAI/MAP project were all in various stages of development. Two additional steps were required:

1. Establish a baseline definition for organizational development within membership-based organizations. This baseline would enable DAI/MAP staff to assess the current status of each organization and determine the level of effort required for the organization to achieve self-reliance and sustainability.
2. Create a methodology, approach and work-plan for use by DAI/MAP staff to follow in working with these organizations. These guidelines would enable DAI/MAP staff to provide consistent and comprehensive support to all three membership-based business organizations.

### **Organizational Development Developmental Stages Defined**

Several models of organizational development exist in the literature. The most popular to date uses four stages:

- forming
- norming
- storming
- performing

While these levels of organizational development could be used, it was felt that a new set of terms would better reflect the kind of operational differences that existed for a membership-based organization interested in increasing its effectiveness and maintaining a sensitivity to member needs within a given business sector. Four new terms were introduced as developmental stages for use in this project:

- organizing
- operating
- performing
- transforming

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### **Organizing Stage**

Membership-based organizations at this stage are just getting started and reflect the following major characteristics:

- spend a great deal of energy defining who they are and why they exist
- need to establish administrative operations (e.g. accounting, membership database, profile the membership, manage inquiries, etc.)
- have a narrow and often distracted planning focus
- operate independent of any systems or processes
- actions tend to be reactive in nature
- are often not staffed, placing an added burden for task fulfillment on volunteer leaders
- are self-governed and managed as a result
- are volunteer-dependent

### **Operating Stage**

Membership-based organizations at this stage are able to provide members with a core member service package and reflect the following major characteristics:

- direction and design outlining the steps necessary to achieve the organization's goals tend to be defined
- planning is generally conducted on an annual basis
- system and processes are beginning to emerge in core program areas (membership development, management/governance, communications/public relations, etc.)
- group tends to be less reactive in nature, thanks to designing an effective annual plan
- limited number of professional staff are emerge at this stage
- a special relationship is established defining the unique responsibilities of the volunteer leader versus that of the professional staff
- organization is still volunteer dependent to accomplish a great deal of the work

### **Performing Stage**

Membership-based organizations at this stage are able to be somewhat responsive to member needs and reflect the following major characteristics:

- planning efforts become routine events with a wide range of member representatives invited to attend
- focus of the planning is often more than one year, as much as three
- greater number of systems and processes are put in place, programs are expanding but often the strategies and tactics within a program area are managed independent of other program areas regardless of the relationship

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- with the organization's overall success and growth, the need to employ more staff with specific specialties becomes evident; some organizations will explore the need by outsourcing the workload to gain an estimation of how long it might actually take to complete
  - with increase in staff, there is often a slight drop in volunteerism among the members; great care needs to be given to the members that staff are on hand to facilitate the changes needed by that particular business sector

### **Transforming Stage**

Membership-based organizations at this stage are capable of making quick administrative, program and governance changes to meet the needs of its members in a "just-in time" sequence; these organizations reflect the following major characteristics:

- planning efforts are mission- and objectives-driven rather than leader-driven allowing for ongoing organizational development and maximum use of resources
- planning process is strategic in nature, using strategic thinking as a tool for sorting priorities and identifying strategies
- the volunteer and staff leadership styles are generally proactive and futuristic in nature
- system or processes for program development and management are not only in place, but integrated among other program areas
- leadership partnership relationship between volunteer and staff leaders is strengthened with both groups operating openly, honestly and without hidden agendas
- more complex volunteer-staff leader organizational structure is required to effectively monitor and manage the multiple tasks within multiple projects within multiple priorities

In working with membership-based organizations, it is important to understand a few key concepts about these stages:

#### **Concept #1:**

##### **Establishing an Overall Assessment**

These stages can be used to establish an overall assessment for the membership-based organization. While most volunteer and staff leaders hope to see their organization progress forward from one stage of development to the next, unanticipated changes including change in staff or leadership, industry crisis, change in the socio-economic environment can have a negative impact, literally causing an undesired regression.

#### **Concept #2:**

##### **Establishing a Programmatic Rating**

While the membership-based organization may be evaluated as a whole, it is also important to remember that the same measure may also be used to describe the stage of development of each of the six core program areas (e.g. membership development,

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member services, etc.). Few organizations have had the opportunity of developing each of their six program areas at the same pace. One group may have given more attention to their legislative and regulatory program while ignoring membership development. In such a case, the legislative and regulatory program area may reflect the qualities of a performing stage but the membership development program area may reflect only those qualities of an organizing stage.

The purpose for presenting these stages is to create a greater awareness of how these organizations might progress or regress. But there is no real value in spending a great deal of time on assessing the membership-based organization's actual status. A template was designed to illustrate how one might quickly evaluate each of the six program areas within a membership-based organization (see Appendix III: Organizational Development for Associations/Checklist for Quick Assessment). This template might be used as a tool to help volunteer leaders understand the minimum elements that contribute to an organization's success and assist in identifying strategies and tactics to support the organization's growth and development.

The purpose of defining these stages was to provide DAI/MAP staff with a general understanding of how organizations might progress developmentally. The most effective way to help membership-based organizations progress is to guide them to follow the six critical elements described earlier (e.g. vision, mission and goals; organizational culture and values; core program areas; principles for program development; policies and procedures for operation; and plan of action).

### **Establishing the Membership-based Organization's Baseline**

Interested in helping build membership-based business organizations designed to become self-reliant and sustainable, DAI/MAP staff felt it necessary to build a checklist highlighting the qualities and characteristics of a transforming membership-based business organization (much like how ISO9000 supports management and production excellence in the private sector). A template was created to reflect the actions or elements of an organization operating at a transforming stage (see Appendix IV: Membership-based Business Organizations Effective Association Management and Programming Annual Evaluation Checklist). While comprehensive in nature, the template is not yet complete. Such a tool evolves over time with ongoing use. The tool however does provide a comprehensive look at the organization's focus both internally and externally.

## **Organizational Development**

### **Methodology for Working with MBBOs**

The following steps were developed for use as a methodology for by DAI/MAP's Institutional Development Specialist to support the three membership-based business organizations:

#### ***Phase I: Assessment: understanding the organization's current level of development***

1. Establish a common understanding of organizational development for membership-based organizations.

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2. Establish a baseline for measuring the current effectiveness of three membership-based business organizations.
  3. Evaluate the current status of the organization using the specially designed template.

***Phase II: Design: creating a document that provides guidance for support***

4. Develop a list of current activities and new ideas with the membership-based business organization's staff (where available) and DAI/MAP's Sector Coordinator to create a general framework from which to craft an annual or strategic plan
5. In cooperation with membership-based business organization's staff and DAI/MAP Sector Coordinator, solicit input from membership-based business organization's volunteer leaders.
6. With support of the Sector Coordinator, convert ideas into strategies and tactics and incorporate them into the plan.
7. Review draft of plan with key leaders and staff.
8. Develop a work-plan that includes a detailed list of tactics/tasks required to complete each strategy, assumption of the resources required, and focus of accountability (who is responsible).
9. Establish or adjust the organizational structures for staff as well as volunteer leaders.
10. Establish a realistic time line for completion of strategies and tactics
11. Volunteer leadership reviews and approves final plan.

***Phase III: Implementation: plan becomes tool for volunteer and staff leaders***

12. Organization implements plan accordingly with guidance and support from DAI/MAP Sector Coordinator and Institutional Development Specialist (as needed).

***Phase IV: Evaluation: organization reviews progress to ensure success***

13. Interim dates are set to review progress with adjustments made as needed
14. Annual date (preferably at the annual board orientation and planning retreat) is set to assess current environment, review accomplishments, reaffirm or set new objectives, and identify strategies for the coming year (begin assessment phase once again)

A much more detailed description of each step along with tips has been developed as a separate checklist for use by the DAI/MAP Institutional Development Specialist (see Appendix V: Conducting Organizational Development Initiatives with Membership-based Business Organizations – Recommended Steps).

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## **Membership-based Business Organizations in the West Bank and Gaza**

### **Overall Assessment**

#### **Overview**

Three membership-based business organizations were targeted for support as part of this project. The first expectation by DAI/MAP was to review their current status using the core program areas. Organizational audits are often the process used to evaluate the effectiveness of an organization. Due to the limited nature of the on-site visit and the number of organizations requiring support, an abbreviated process for reviewing the organizations' status was designed to include the following:

#### **Assessment Phase**

- review of the organization's literature
- review of the literature regarding the organization's business sector
- group interviews with volunteer leaders
- individual interviews with organization staff (as appropriate)
- analysis and reporting of findings

This section highlights the general findings and recommendations for each organization. Suggestions are provided within each core program areas as a way to simplify the enormity of work required to accomplish desired end results. These recommendations, however, do not reflect the financial sustainability of the organization. That analysis can only be done once the organization has clearly defined its priorities (strategies and tactics) designed to achieve the organization's vision and mission statements. The following opportunities and barriers were also considered:

- nature of pace requested or required
- ability of DAI/MAP's Institutional Development Specialist and the Sector Coordinator to influence outcomes
- the unpredictability of the political and social environment along with a developing socio-economic infrastructure has a direct impact on the ability for many businesses to operate
- ability to influence behavior recognizing the wide range of programs and services including:
  - redefining cultural norms
  - establishing values
  - understanding the implication of the current political history on member and prospective member perceptions
  - level of leadership competence
  - learning the transition from entrepreneur to group consensus
- ability of organization to generate sufficient non-dues revenue to ensure sustainability

Information regarding each membership-based business organization is presented in the following manner:

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- **Overview & Current Status**  
brief profile of the organization, its members and the current programs, products and services
  - **Findings**  
preliminary assumptions based on limited research
  - **Recommendations**  
general suggestions within the six core program areas in which the organization should focus its planning efforts

It is important to remember that these recommendations are based on a limited amount of time for review and analysis. And in some cases were further hampered by the limitations associated with translation between and among volunteer leaders and staff. The potential of not having sufficient information to make an informed decision is always a concern. An abbreviated process was established to conduct the review and analysis.

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## **Union of Stone and Marble (US&M)**

Bethlehem, West Bank

### **Overview & Current Status**

The Union of Stone and Marble (US&M) was established approximately four years ago. In 1999, it represented approximately 400 companies. The potential universe of stone and marble companies is approximately 1100. Dues include a \$150 initiation fee and \$300 annual fee. Membership dues are currently the main source of income. Members have been asked to make personal contributions when a shortfall in the budget occurs. US&M is in the process of getting a software system that will provide database support for both accounting and membership records. It is uncertain what the actual software is, but it is reported to come from a Jordanian software company.

The main office is located in Bethlehem with two branch offices in Hebron and Nablus. A staff member provides support in each of these branch offices, but their actual responsibilities are undefined. Each branch office is governed by its own branch board of directors. The relationship between the branch board and the main board (e.g. do representatives from the branch board serve as representative on the main board?) is unclear. US&M is currently facing a membership crisis. At its most recent General Membership Assembly, it renewed only 120 of its 420 members. At the present time, no clear reason for the drastic drop in renewals is known. A branch board member who attended a recent board orientation offered a comment that a large number of members were dissatisfied with their membership, not recognizing its value. Due to the language barrier, it was difficult to tell whether the comment was an evaluation based on actual discussions or a perception based on personal experience. The volunteer leaders and staff do expect that more renewals will be received as the election date for board members draws near, but it is unclear whether they will recover entirely. The organization is managed by a new (within the last 3-4 months) full-time executive director who has had previous association management experience. He has the support of three staff members (one in each branch office and one in the main office) and one additional staff member on loan from MOI for a brief six-month period.

### **Member Profile**

US&M's members represent owners of stone and marble companies. Stone and marble represent Palestine's greatest natural resource and as such is considered one of its greatest future exports. Most are family-owned and located in the West Bank. The majority of exports of the material are sent to Israel. A few members export into other countries by enlisting in the support of agents. Members are interested in exporting to the following markets: United States of America, European Union, Far East, Australia, and the Gulf Countries. Members recognize that in order to export, production standards set by those markets will need to be met. Efforts to facilitate export trade are underway with a targeted number of businesses as part of a special program offered in cooperation with DAI/MAP. Most common obstacles faced by members includes: export limitations (transportation between borders with Israel), regulations with the PA that limit harvesting of natural resources, internal management capacities (using family members to oversee key positions rather than hiring specialists), and obtaining financing for business

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expansion (to process more unique applications like flaming, sandblasting, and antiquing).

### **US&M Member Services**

The following programs, products and services are in place to support member needs:

<b>Program, Product or Service</b>	<b>Description</b>
Advocacy	represent member interests at various PA Ministries to identify, modify and create policies that will facilitate business development for this sector
Newsletter	printed bi-monthly, this new service reports key information needed by members
Education	assorted educational programs offered throughout the year provide insight into effective management, production and quality issues
Exhibitions and Trade Fairs	US&M provides support to individual members attending various trade shows as well as organizes efforts on behalf of the union
Membership Directory	a very slick-looking four-color directory of member companies was printed by the union to support marketing efforts to external target audiences (a large quantity still exists); future plans include the development of a less formal directory for use by members only
Visa's and Travel Permits	special support is provided to members interested in getting Visa's and other necessary travel permits
General Assembly Meeting	annual meeting where members are informed of US&M's accomplishments and elections for the board of directors held
Industry Marketing Materials	with support from DAI, US&M has developed a set of four-color marketing materials available to members for distribution to targeted audiences
Branch Membership Meetings	more routine meetings are scheduled for members to attend at the branch offices; at the present time, it is unclear the nature of these meetings although it was reported that sometimes a speaker is invited.

US& M has also participated in special projects with Bethlehem University, United National Industrial and Development Organization (UNIDO), Italian Cooperation (ILO), and PALTRADE to facilitate its work.

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## Findings

These preliminary findings are based on a review of the available literature about the organization and the business sector along with individual and group interviews with the US&M board of directors and staff executive as well as the DAI/MAP Sector Coordinator.

Program Area	Findings
<b>Membership Development</b>	no formalized membership development efforts (prospecting, recruiting, orienting, involving and renewing) are currently in place; this is of particular concern with the recent drop in membership; they are yet unwilling to consider associate members; this will limit their ability to generate revenue over the long-run
<b>Member Services</b>	a current set of programs, products and services are in place, but comments from selected members indicated that a vast number of members are unaware of them; it is unclear whether those most involved and most informed are taking advantage (e.g. board members), whether the package of services currently in place are not responsive to member needs, or whether the lack of participation is due to infrequent or ineffective promotional efforts
<b>Management/ Governance</b>	limited processes or systems are in place to support administrative and management operations; lack of well-written policies and procedures in key areas (accounting, member records, general correspondence, etc.) has made it difficult for staff to maintain consistent support to members (as a result of staff attrition); policies and procedures for board governance are informal in nature; few committees exist to support the work of the organization; it is unclear to the staff whether a formal written plan was ever created
<b>Communications/ Public Relations</b>	efforts are underway (newsletter) to establish more effective means of communicating with members; it has been difficult getting a routine message to members of the value of membership; special materials have been developed to support members eager to establish their presence in the international market (e.g. marketing brochures)
<b>Legislative/ Regulatory Influence</b>	US&M has been reactive in handling business sector policy issues; expectations by the new executive is to take a more proactive approach in the future; the challenge ahead is to determine the level of the organization's influence and effectiveness with the departure of its current president (highly respected business figure in the Palestinian community)
<b>Leadership Development</b>	efforts to identify, recruit and prepare new leaders is informal at best; opportunities for leadership are limited (branch and main board of directors); few committees are operational; members step forward on their own (self-selection) to pursue leadership opportunities on the board

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## Recommendations

In order to become a sustainable membership-based business organization, US&M will need to address some of the following key issues:

- secure commitment from the volunteer leadership to contribute time and expertise as needed to revitalize the union
- make a commitment to develop and follow a plan of action
- engage members in helping to complete as many aspects of the plan as appropriate

To ensure US&M maintains its role as the central source of information and support for the stone and marble industry, volunteer and staff leaders should ensure the plan reflects the following recommendations:

Program Area	Recommendation
<b>Membership Development</b>	concentrate on membership development; establish formal strategies within the plan to recruit, orient, involve and renew members; establish promotional literature that supports selected acquisition, orientation and renewal strategies
<b>Member Services</b>	focus attention on gaining insight as to member need and satisfaction; survey current and canceled members to determine which services remain responsive, which are irrelevant and which are needed; create printed literature that orients members on how to maximize their membership experience
<b>Management/ Governance</b>	establish system, processes, policies and procedures to guide the effective management and governance of the union; areas include office operations and management, human resource management, and board governance
<b>Communications/ Public Relations</b>	establish better systems and mediums for more effective communication with members and other key audiences (e.g. government officials, media, etc.)
<b>Legislative/ Regulatory Influence</b>	establish an issues management system for identifying and monitoring issues that are proactive and reactive in nature
<b>Leadership Development</b>	establish a plan to orient and train volunteer and staff leaders in key areas of personal leadership and association management

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## Other Considerations

### Level of DAI Support

It is not always prudent to make recommendations of financial and professional support without having a clear understanding of the membership-based organization's current availability of resources as well as its objectives and strategies. The tendency is often to fund an organization of this kind in full measure hoping that it will benefit from the support and progress in like manner. In developing its relationship with US&M, DAI/MAP may want to consider supporting in full those one-time activities (e.g. developing its website, creating promotional literature, providing office equipment) to the extent US&M can demonstrate its ability to fund its operation over the time (through a gradual withdrawal of DAI/MAP funds). Further funding (e.g. staff resources over current status) should be based on US&M's demonstrated ability to renew and recruit members, willingness to solicit non-dues revenue support that will ensure its sustainability over time). More definitive recommendations are expected once US&M and DAI/MAP have completed the framework of the US&M's plan of action.

### US&M's Proposed Organizational Structure

From the literature provided, it appears as though a staff structure has been proposed for DAI/MAP. It is recommended that any decisions in this regard be temporarily suspended until the US&M plan of action has been developed. The amount of workload generated by this plan in the various areas may significantly influence the redefinition of staff positions.

### Assorted Roles and Responsibilities

Without having the benefit of a well-written plan, it is often difficult to identify the roles and various responsibilities that the key groups involved in this project must play. But it is possible to identify the scope within which each group should consider offering their support. That scope is highlighted below:

Group	Suggested Role
US&M volunteer leaders	direct support of those strategies and tactics requiring their expertise and contribution of time

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<b>Group</b>	<b>Suggested Role</b>
<b>US&amp;M Staff</b>	direct support of those strategies and tactics requiring their level of expertise and time
<b>DAI Staff</b>	organizational development guidance for revitalizing the union; marketing support in preparing promotional materials for membership development use; sector development consultation support; should provide leadership development training to branch and main board members, committee chairs and staff
<b>DAI Subcontractors</b>	provide support in the development of simple, easy to read and follow policy and procedure guidelines (rather than manuals) for key administrative functions (e.g. correspondence, accounting, membership records, board governance, and human resource management <sup>2</sup> )

US&M has initiated steps to develop a three-year plan of action. Mission, objectives and strategies have been identified (see Appendix VI: Union of Stone and Marble Plan 2000-2002 – Mission, Objectives and Strategies). A more detailed plan including tactics, time line and accountability has been submitted separately from this report. Developing a comprehensive plan of this kind is a very large task and has required more time to prepare than allocated in the scope of work. Initial steps were completed during the on-site visit. Remaining steps are to be completed by the DAI staff (Institutional Development Specialist and Sector Coordinator) with review support from the Organizational Consultant (via email). A project of this kind should not be rushed nor should it become an extended long-term project. Remaining steps to completing this document and making it a valuable resource tool for the volunteer and staff leaders in the union include:

- completing key tasks for all strategies
- identifying groups responsible for task completion
- identifying volunteer and staff organizational structures
- estimating budget costs for strategies
- establishing DAI's actual level of financial support

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<sup>2</sup> note: See comments later in the report regarding use of DAI approved subcontractors

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## **Wood Industries Union (WIU)**

Gaza City, Gaza

### **Overview & Current Status**

The Wood Industries Union (WIU) was established in October 1999 by a number of businessmen interested in forming an organization that would represent owners of furniture manufacturing. They indicated they had preferred forming an association but the current situation made it less flexible, so they formed the union instead. They currently report representing 65 paid members as well as another 30 that are not paid. It is estimated that the potential universe for members could range as high as 500. Dues include a \$100 initiation fee and \$50 annual fee. It is reported that a large number of members (often 40+) meet at the WIU office every evening for socializing and general networking. Some prospective members feel the price is too high and have asked WIU to waive the initiation fee (that decision had not yet been made at the time of this report). Membership dues is the main source of income. Members have been asked to make personal contributions to support the union when a shortfall occurs.

The WIU office is located in Gaza and is supported by what appears to be a full-time secretary. Her primary duties seem to include general reception support and light records keeping. Member records are currently stored on a spreadsheet. The WIU has already developed printed stationary, complete with logo. At the present time, WIU has no promotional materials describing the programs, products and services available through membership. The board serves in both the governance and management capacities. They are eager to secure a full-time professional executive and building a wide range of member services. WIU has developed bylaws, but they have not as yet been translated or reviewed by DAI/MAP. The objectives that are referenced in the Appendix are those derived from the group interview.

### **Member Profile**

Research relevant to this business sector was recently conducted by DAI/MAP's Sector Coordinator. The information has proven to be critical to gaining insight on the pace at which the union might become sustainable. The majority of companies (68%) are small, employing 1-3 workers. Since 1991, the total number of firms has grown from 374 to 550 in 1996. While the increase in wood furniture has led to an increase in the number of businesses, the average size of firms (by workers) has not changed. Approximately half of the manufacturers use manual machinery. Thirty-four percent (34%) use semi-automatic and only sixteen percent (16%) are fully automated. Much of the machinery is acquired second-hand from Israel.

Most firms are family operated. They report working in a highly competitive environment. Many complain of the lack of ethics or standards within the industry, thus inviting manufacturers to copy signature designs of some companies. While most companies understand the mechanics of furniture production, they lack other business-related skills, including marketing, advertising, personnel, business planning, etc. There is a lack of skilled labor. The current political instability has made many companies risk averse to plan more long-term business and marketing strategies. This has stalled members from upgrading production technology. Israeli regulations for transportation of

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the furniture make it difficult to keep the prices within competitive range. They face difficulties in getting sufficient shipments of high quality wood from Israel.

The Palestinian Authority has been slow to take steps to help build a positive business climate for members. At the moment they face relatively high tax rates, tedious and time-consuming custom clearing procedures. Members shared a brief example in their attempts to move furniture from Gaza to Egypt for a trade exhibition. They indicated it took two weeks to get the paperwork necessary to transport the furniture.

Members are interested in exporting to the following markets: Arab states, European Union and Israel. Some members did indicate an interest in learning about the US market. Members recognize the need to modify production standards to meet the specifications required for export to the countries listed above. At the present time, WIU has no formal four-color brochure to market the sector as does US&M. Some members have developed their own company marketing materials but most have nothing. Many reported producing furniture depicted in foreign catalogs. What was unclear was whether they were the sole manufacturer or one of many for that style.

### **Member Services**

The WIU has not as yet developed a formal set of member services. They have, however, participated in existing events as well as organized other efforts as indicated below.

<b>Program, Product or Service</b>	<b>Description</b>
Advocacy	represent member interests at various PA Ministries to identify, modify and create policies that will facilitate business development for this sector
Exhibitions and Trade Fairs	WIU participated in PALTRADE's exhibition in 1999 and organized a group of members to attend another exhibition in Cairo, Egypt in February 1000. It is unclear whether WIU has identified key exhibitions they should attend throughout this year.
Visa's and Travel Permits	special support is provided to members interested in getting Visa's and other necessary travel permits
Informal Networking Sessions	the office has become a meeting point each evening for members; it is reported they spend several hours as a group socializing, sharing information and seeking informal business support

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## Findings

These preliminary findings are based on a review of the available literature about the organization and the business sector along with individual and group interviews with the WIU board of directors and DAI/MAP Sector Coordinator.

Program Area	Findings
<b>Membership Development</b>	no formalized membership development efforts (prospecting, recruiting, orienting, involving and renewing) are currently in place; members do have, however a long list of potential members; most they are seeking for membership are manufacturers; if willing to invite associate members (e.g. those who support furniture manufacturing, they could expand their potential universe of members)
<b>Member Services</b>	no formal set of programs, products and services are in place; leaders have participated in and organized efforts on behalf of the members and the WIU
<b>Management/ Governance</b>	no systems are in place to support the administration and management accounting, member records, general correspondence, etc.) of the office or the effective governance of the board; each board member chairs a committee but it is unclear whether they are in operation; no formal written plan exists
<b>Communications/ Public Relations</b>	no system for disseminating information is in place; board members use personal contact, phone and fax when issues or opportunities arise; it is unclear what percent of the membership is contacted in such situations since the contact is dependent on the members' time and commitment; no formal marketing materials have as yet been developed to represent the business sector to external trade groups
<b>Legislative/ Regulatory Influence</b>	WIU has engaged in some discussions with various PA ministries in an attempt to relieve some of the barriers to market development; it is uncertain how successful they have been at this point; it is believed a great many of the issues addressed have been reactive rather than proactive in nature
<b>Leadership Development</b>	efforts to identify, recruit and prepare new leaders is informal at best; opportunities for leadership are limited (board of directors); few committees are operational; members step forward on their own (self-selection) to pursue leadership opportunities on the board



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## Recommendations

In order to become a sustainable membership-based business organization, WIU will need to address some of the following key issues:

- secure commitment from the volunteer leadership to contribute time and expertise as needed to support the development of the union
- make a commitment to develop and follow a plan of action
- make a commitment to take necessary steps to become self-supporting and self-reliant
- engage members in helping to complete as many aspects of the plan as appropriate

To ensure WIU maintains its role as the central source of information and support for the furniture sector, volunteer leaders should ensure the plan reflects the following recommendations:

Program Area	Recommendations
<b>Membership Development</b>	concentrate on membership development; establish formal strategies within the plan to recruit, orient, involve and renew members; establish promotional literature that supports selected acquisition, orientation and renewal strategies
<b>Member Services</b>	after quick survey of members (e.g. at evening social events), establish a core set of services for the first year; consider services that include immediate and direct value to the member as well as to the sector (see Appendix VI); some services should offer a range of options in order to demonstrate value to the members (e.g. topical roundtables as educational opportunities to generate interest by a large percentage of the members for more formal education in addition to more formal workshops or seminars)
<b>Management/ Governance</b>	establish system, processes, policies and procedures to guide the effective management and governance of the union; areas include office operations and management, human resource management, and board governance; because of the relatively small size of this office, care should be taken to keep the policies and procedures simple and easy to follow
<b>Communications/ Public Relations</b>	establish better systems and mediums for more effective communication with members and other key audiences (e.g. government officials, media, etc.); establish a formal written form of communication that delivers advice, information and tips on various forms of business development in addition to WIU calendar of events and news

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<b>Program Area</b>	<b>Recommendations</b>
<b>Legislative/ Regulatory Influence</b>	establish an issues management system for identifying, tracking, and monitoring issues that are proactive as well as reactive in nature; create policies and procedures to support selection and administration
<b>Leadership Development</b>	establish a plan to orient and train volunteer and staff leaders in key areas of personal leadership and association management

WIU board of directors has provided ideas to DAI/MAP staff of how they would like to develop their union further. DAI/MAP staff had a brief opportunity to review those ideas as well as generate some additional ones. The WIU volunteer leadership is eager to get started. Since this membership-based business organization is in its early developmental stages, energy will need to be divided among the following tasks:

- developing its infrastructure
- hiring a staff professional
- establishing short-term programs, projects and services
- developing more complex long-term programs, projects and services

Possible strategies and ideas responsive to WIU's volunteer leader expectations are outlined for review (see Appendix VII: Wood Industries Union Strategic Plan Framework – Objectives and Possible Strategies). The initial impression of members in this union is that their companies generate less revenue than those representing the stone and marble sector. If this is indeed true, then DAI/MAP will need to provide greater support over a longer period of time before expecting this union to become self-reliant. Much will depend on the staff professionals involved, the nature of the business environment, and the willingness of the volunteer leadership to be accountable. Remaining tasks for developing a plan include:

- translating and updating union bylaws (and establishing mission and objectives)
- matching strategies to objectives
- identifying key tasks for all strategies
- identifying groups responsible for task completion
- estimating budget costs for strategies
- determining volunteer and staff organizational structures
- establishing DAI's actual level of financial support

## **Other Considerations**

### **Level of DAI Support**

As discussed for the prior organization, it is not always prudent to make recommendations of financial and professional support without having a clear understanding of the membership-based organization's current availability of resources

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and intended objectives and strategies. WIU is at such a developmental stage that the tendency would be to recommend it be funded in such a manner that it become fully operational in a short period of time. The danger of doing so is WIU's ability to become sustainable in a short period of time. DAI/MAP should consider funding with little reservation those kinds of support services (e.g. literature, website, equipment, etc.) that require greater capital for development than reproduction or maintenance. This consideration should be made only upon review of the components of the final plan of action. Other types of funding (e.g. staffing, ongoing administrative support, etc.) should be made only after the plan of work has been developed and an analysis of the organization's projection of generating sufficient resources has been made. In looking at the level of income generated by the current membership, WIU would find it difficult to become self-sustaining unless they agreed to become much more aggressive in generating dues and non-dues revenue to fully support an office, staff and programming for its members within a three-year time period.

### **WIU's Organizational Structure**

Once the plan of work has been developed, DAI/MAP staff along with WIU leaders could establish two organizational charts: one for volunteer leaders (board and committees) and the other for staff. Job descriptions can then be developed and used to measure progress and accomplishments.

### **Assorted Roles and Responsibilities**

Without having the benefit of a well-written plan, it is often difficult to identify the roles and various responsibilities that key groups must play. But it is possible to identify the scope within which each group should consider offering their support. That scope is highlighted below:

<b>Group</b>	<b>Suggested Role</b>
<b>WIU Volunteer Leaders</b>	direct support of those strategies and tactics requiring their expertise and contribution of time
<b>WIU Staff</b>	once hired, provide direct support of those strategies and tactics requiring their level of expertise and time
<b>DAI Staff</b>	organizational development guidance for revitalizing the union; marketing support in preparing promotional materials for membership development use; sector development consultation support; staff should also provide leadership development support to the board, committee chairs and staff
<b>DAI Subcontractors</b>	provide support in the development of simple, easy to read and follow policy and procedure guidelines (rather than manuals) for key administrative functions (e.g. correspondence, accounting, membership records, board governance, and human resource management)

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## **Palestinian Information Technology Association (PITA)**

Ramallah, West Bank

### **Overview & Current Status**

The Palestine Information Technology Association (PITA) was established in September 1999 by a number of businessmen interested in shaping the information technology sector in Palestine. It currently has a temporary office in Ramallah, West Bank but reports indicate that it plans to establish its official office in Jerusalem. It operates with a receptionist/secretary. It reports a paid membership of between 40-45 members. At the time of this report, its bylaws had not been approved by the membership, however, it was recommending PITA expand the membership to include those companies that provide support services to IT companies. Membership dues are set at \$500. It is assumed that dues will be the same for regular and associate members. PITA represents members in both the West Bank and Gaza. PITA has also developed a promotional brochure and membership application. It has established a website as well. It is currently working with DAI/MAP on establishing a database about its members and the sector.

Board members are serving in both management and governance roles. They are eager to secure a full-time executive to relieve the board of serving in both roles. They also reported that a number of members have stepped forward inquiring how they might become involved. With no formal written plan in place, their ability to secure their involvement has been limited.

PITA believes it has focused its efforts successfully at establishing a presence within the sector. They reported receiving calls from key figures inside and outside of the West Bank and Gaza. But they expressed an eagerness to establish an image that positions them as a significant player on issues related to the establishment of policies supporting the IT sector in Palestine. Most of their efforts have been directed at handling policy issues (legislative or regulatory). While they have used the technology available to them to communicate with their members, they recognize that their members may not see the immediate value for the dues they've contributed. The leadership is concerned that many members will not understand the importance of the policy work that has consumed their time. As a result, they are eager to establish more concrete short and long-term programs, products and services that will provide immediate support to their members.

### **Member Profile**

Members in this sector are reported to be younger than those from the other two MBBOs in this report. Most of those in the volunteer leadership have spent some time outside of the West Bank and Gaza to pursue education or advance their careers. Some were involved in membership-based organizations in other countries and are somewhat familiar with the experience. As a result, these leaders seem less interested in creating an organization that reflects the dynamics of the more traditional Palestinian membership-based associations (e.g. members assume leadership positions as a reward without accountability). Instead, they report an eagerness to set up the systems, processes and practices that will enable the organization to be productive and successful. Those serving in leadership positions work in information technology firms throughout the West Bank and Gaza. They serve in director or manager positions. It seemed that few of their

members represent individuals who are self-employed. If the trend occurring in other countries of the growth of the self-employed (or joint ventured sponsored marketplace) is any indication of the organizational development of the sector, then PITA may find its membership universe changing in the next five years. Leaders reported the greatest challenges for their members includes the following: management techniques, understanding how to build and manage within a corporate culture, concerns about intellectual property, basic rights in relationship to regulations and trade, creating an inviting market within the West Bank and Gaza that is inviting to information technology-related corporations, and establishing the standards required to compete on the global market. These members also face the unusual challenge in keeping up with the pace of change in this sector. Advancements and enhancements in information technology are being introduced into the marketplace at a speed unparalleled by any other sector. Getting into the sector and staying competitive is a great challenge for any company but even greater for one trying to establish itself in a developing country.

### **PITA Member Services**

While PITA admits to having focused more on policy-related issues, it promotes the following services in its brochure (some of which are in their developmental stages):

<b>Program, Product or Service</b>	<b>Description</b>
Advocacy	represent member interests at various PA Ministries to identify, modify and create policies that will facilitate business development for this sector; this has been the area that has received the greatest attention thus far
Newsletter	PITA has created a one-page, two-sided newsletter for use as a tool to keep their members informed; they report listing it also on the website; it is not clear of the frequency by which this newsletter is prepared and delivered to the membership
Education	focus to provide conferences and seminars on topics critical to the sector; a seminar was sponsored in August 99 in cooperation with a German Business Start-up Program through DEG (focus on obtaining capital for business improvements); the October 99 newsletter reported this as PITA's second effort of its kind
Exhibitions and Trade Fairs	PITA provides members with information about upcoming trade shows and exhibitions; for some shows it has been able to negotiate a discount for members (unclear whether for registration or exhibition)
Membership Directory	no written directory appears to exist as yet, but PITA has reported listing members on their website.
Executive Functions and Networking Opportunities	it is expected that special functions will be developed (outside the annual meeting of the members) to give members the opportunity to network on key issues affecting the sector.

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**Program, Product  
or Service****Description**

Sector Development

PITA's leaders participate on DAI's Sector Growth Team; they also report working with PSI on establishing standards for IT that are required for their companies to become globally competitive

PITA has developed a relationship with several groups (PSI, DEG, and PALTRADE, and Palestinian Federation of Industries [?]) in addition to DAI/MAP. The exact relationship and support available from these groups is not entirely clear but needs to be established during the planning stage so that all possible resources will be maximized.

**Findings**

These preliminary findings are based on a review of the available literature about the organization and the business sector along with individual and group interviews with the PITA board of directors and DAI/MAP Sector Coordinator.

<b>Program Area</b>	<b>Findings</b>
<b>Membership Development</b>	PITA currently has no formal plan for prospecting, recruiting, orienting, involving and renewing members in place; they have developed a promotional brochure and a membership application; they are also working with DAI/MAP in creating a membership/sector database
<b>Member Services</b>	a database survey is the current project; at the time of this report, an annual list of educational opportunities (either sponsored or promoted by PITA) for members had not yet been developed; some leaders recognized the need to focus attention in this area in order to achieve member satisfaction (and renewal)
<b>Management/ Governance</b>	no written policies and procedures exist within the organization; at the present time, volunteers and staff are operating without the benefit of written job descriptions and expectations (to assess performance).
<b>Communications/ Public Relations</b>	PITA has a website that provides the information available on the promotion brochure; they currently do not have a generic marketing piece about the IT sector and the value of working with companies in the West Bank and Gaza (as with Union of Stone and Marble)
<b>Legislative/ Regulatory Influence</b>	issues most affecting this sector have been identified and dealt with on a situation by situation basis; a system for identifying, monitoring and tracking progress on issues has not yet been put in place
<b>Leadership Development</b>	no formal plans are currently in place for leadership development

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## Recommendations

In order to become a thriving and sustainable organization, PITA will need to be willing to do the following:

- secure commitment from the leadership to contribute time and expertise needed to put required systems in place
- make a commitment to support in the development and follow a plan of action (with DAI/MAP support)
- engage members in helping to complete as many tasks of the plan as possible

Program Area	Recommendations
<b>Membership Development</b>	concentrate on membership development; establish formal strategies within the plan to recruit, orient, involve and renew members; establish literature to help orient and guide members on what to expect and how to gain the most of their membership
<b>Member Services</b>	solicit expectations from members (at general assembly meeting or through current survey) and use these as a guide to establish a core set of services for the first year; consider services that include immediate and direct value to the member as well as to the sector (see Appendix VIII); consider using website as a tool where information and services can be delivered to the membership (many who may be unable to take time away from their job to attend a meeting or seminar)
<b>Management/ Governance</b>	establish system, processes, policies and procedures to guide the effective management and governance of the association; areas include office operations and management, human resource management, and board governance; because of the relatively small size of this office, care should be taken to keep the policies and procedures simple and easy to follow
<b>Communications/ Public Relations</b>	establish better systems and mediums for more effective communication with members and other key audiences (e.g. government officials, media, targeted companies and organizations in the global marketplace, etc.); establish more strategic and routine communication with members using email and website as tools; and create a marketing piece (replicated on the website) of the scope and value of working with IT companies in the West Bank and Gaza
<b>Legislative/ Regulatory Influence</b>	establish an issues management system for identifying, tracking, and monitoring issues that are proactive as well as reactive in nature; create policies and procedures to support selection and administration of issues; place on website with restricted access to keep leaders and staff informed; continue working with key groups (PSI, Palestine Federation of Industries, etc.) to establish critical standards required to compete in the global marketplace

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<b>Program Area</b> <b>Leadership</b> <b>Development</b>	<b>Recommendations</b> establish a plan to orient and train volunteer and staff leaders in key areas of personal leadership and association management
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Possible strategies and ideas responsive to PITA's volunteer leader expectations are outlined for review (see Appendix VIII: Palestinian Information Technology Association Strategic Plan Framework – Vision, Mission Objectives and Possible Strategies). The initial impression of members in this association is that their companies need to move fast to remain competitive. They carry that expectation to their involvement in the association. They want to move quickly to set up the necessary infrastructure that will allow them to become more established. With this expectation, DAI/MAP can expect this group to become self-supporting and self-reliant at a much faster pace than the other two. Much will depend on the staff professionals involved, the nature of the business environment, and the willingness of the volunteer leadership to be accountable. Remaining tasks for developing a plan include:

- membership approval of the bylaws (and establishing mission and objectives)
- matching strategies to objectives
- identifying key tasks for all strategies
- identifying groups responsible for task completion
- estimating budget costs for strategies
- determining volunteer and staff organizational structures
- establishing DAI's actual level of financial support

## **Other Considerations**

### **Level of DAI Support**

Again, it is not always prudent to make recommendations of financial and professional support without having a clear understanding of the membership-based organization's current availability of resources and intended objectives and strategies. Of the three MBBOs, it seems that PITA is in the position to generate and secure the greatest amount of revenue in the shortest period of time. The nature of this business sector alone is allows PITA the opportunity to be more innovative. Their ability to become self-reliant will depend on PITA's willingness to define its membership as broadly as possible. This will open opportunities that will generate non-dues revenue streams for both the short- and long-term. The challenge for PITA will be whether it can move fast enough to keep pace with the industry itself. It is believed that once these avenues are explored, PITA will become self-reliant and sustainable in a short period of time, barring any unforeseen internal politics and conflicts.

### **PITA's Organizational Structure**

Once the plan of work has been developed, DAI/MAP staff along with PITA leaders will need to establish two organizational charts: one for volunteer leaders (board and committees) and the other for staff. Job descriptions can then be developed and used to measure progress and accomplishments.



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### Assorted Roles and Responsibilities

Without having the benefit of a well-written plan, it is often difficult to identify the roles and various responsibilities that key groups must play. But it is possible to identify the scope within which each group should consider offering their support. That scope is highlighted below:

Group	Suggested Role
<b>PITA Volunteer Leaders</b>	direct support of those strategies and tactics requiring their expertise and contribution of time
<b>PITA Staff</b>	once hired, provide direct support of those strategies and tactics requiring their level of expertise and time
<b>DAI Staff</b>	organizational development guidance for association; marketing support in preparing member services information for use in orienting members; sector development consultation support; staff should also provide leadership development support to the board, committee chairs and staff
<b>DAI Subcontractors</b>	provide support in the development of simple, easy to read and follow policy and procedure guidelines (rather than manuals) for key administrative functions (e.g. correspondence, accounting, board governance, and human resource management)

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## **Establishing a Training Program in Association Management**

### **Overview**

Prior to the Second World War, only 5,000 associations existed in the United States. Today, over 154,000 groups have incorporated as membership-based organizations. Experts project an additional 1,000 new groups will form annually. The number of associations operating in the United States alone might lead one to believe that an agreed upon body of knowledge exists to provide a baseline from which to develop a comprehensive training program for volunteer leaders and staff professionals. Unfortunately, such is not the case. An insufficient amount of research has been conducted in this profession to substantiate many of the concepts, methodologies and practices that are often promoted by those organizations representing association management professionals. At present, we are faced with a series of training programs that are not based on any set of proven theories or principles.

The following reference materials were reviewed in an effort to develop a comprehensive outline for an association management program designed to increase the competencies of those volunteer and staff leaders involved in the DAI/MAP project:

- Association Management Development Program, as prepared by DAI staff member, Lawrence Mills
- Certified Association Executive (CAE) a certification program sponsored by the American Society of Association Executives for individuals seeking to improve their effectiveness as association management professionals
- DAI/MAP Association Management 9000 Checklist, a special outline designed /MAP to reflect the components of a highly effective membership-based organization

## **Developing a Training Program for Volunteer and Staff Leaders**

### **Establishing Goals**

The first step in designing a training program is to establish a set of goals outlining what an initiative of this kind should be expected to accomplish. The following goals are recommended for DAI/MAP's consideration:

- Increase awareness and understanding of the principles, programs and practices that contribute toward developing a transforming organization
- Strengthen core set of leadership and management skills necessary to ensure the successful management and governance of a membership-based organization

### **Understanding the Target Audience**

In developing materials for this training program, it is essential to have a good understanding of those who will be expected to participate. The following assumptions have been based on the perspective gained while visiting volunteer and staff leaders of three membership-based business organizations in the West Bank and Gaza:

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### **Volunteer Leaders**

- have little or no experience as a leader in any type of membership-based organization
- reflect a mixture of entrepreneurs and managers from small to medium-sized businesses
- have businesses that serve domestic and limited international markets
- are middle-aged or older (with more established businesses – but not necessarily more successful)
- are familiar with previous traditional leadership and organizational models within more established membership-based organizations (e.g. chamber of commerce)
- do not perceive need for leadership training (as they are already leaders in the business sector)

### **Professional Staff**

- will most likely have limited experience in managing an association (if any at all)
- may depend too much on the principles, programs and practices from the business sector to accomplish the goals
- could emerge from within the membership (e.g. member assuming role of staff)
- may not be fully aware of the interpersonal skills required to build an effective volunteer-staff relationship
- limited salary availability may result in applicants with limited life experience

### **Conclusions and Recommendations**

It will be important to be sensitive to the needs and profile of the intended audience. In looking at both profiles, it is evident that DAI/MAP should consider the following:

- establish an association management training program that offers content on a variety of levels (basic, intermediate, and advanced)
- ensure design and delivery techniques incorporated into the training reflect adult learning principles (interactive learning techniques)
- make certain content provided has relevance for the participant in both their volunteer and professional/business settings
- identify a series of training transfer strategies (key activities, messages or announcements made at key points after the training session to reinforce ideas, skills, behaviors, etc.) that occur at times subsequent to the training session to facilitate retention of information over the long-term
- develop an interim and annual system for evaluating competencies gained by participants

It is critical to recognize that programs of this kind seek to accomplish two things:

- establish a sound organizational infrastructure
- reinforce or shape behavior.

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The first will be much easier to achieve than the second. Developing new patterns of behavior is quite complex and difficult. Great care will be needed to provide a context of why volunteer and staff leaders should change their behavior and what value is there if such a thing is done.

### **Recommended Training Content**

Six key program areas were introduced as a means for evaluating a transforming organization. It seems logical to use the same baseline definition to establish this training program. A more detailed outline for suggested topics, including session objectives for each is available for review under separate cover. Listed below is a highlight of recommended topics.

#### **General Overview**

<b>Beginner</b>	<b>Intermediate</b>	<b>Advanced</b>
Purpose and Functions of Associations	Associations as Agents of Social Change	Associations and Their Subsidiaries

#### **Governance and Management**

<b>Beginner</b>	<b>Intermediate</b>	<b>Advanced</b>
ABCs of Board Governance ABCs of Committee Management ABCs of Managing an Association ABCs of Accounting and Budgeting The Planning Process Establishing an Effective Leadership Partnership (volunteers and staff) Legal and Ethical Issues Affecting Associations Staff Performance and Training Effective Communication Strategies with Volunteer and Staff Leaders	Supporting Chapters Financing Strategies Strategic Thinking Developing and Analyzing Effective Policies Updating Association Documentation (bylaws, policies and procedures, etc.)	ABC's of Managing Subsidiary Organizations Re-engineering Associations to Increase Effectiveness

#### **Membership Development**

<b>Beginner</b>	<b>Intermediate</b>	<b>Advanced</b>
ABCs of Membership Development Effective Membership Campaigns Creating and Managing a Membership Database Recruiter Training Effective Orientation Strategies Building Member Involvement Effective Renewal Strategies Recognition Programs	Creating and Analyzing Statistics Getting Leader Support in Membership Recruitment Incentive Programs for Members	Effective Promotion of Member Services

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## Member Services

Beginner	Intermediate	Advanced
Conducting and Analyzing a Member Surveys Planning Effective Education Programs ABCs of Selecting or Creating Business Discount Programs for Members ABCs of Securing Advertising	Collecting, Compiling, Analyzing and Transforming Information into Programs, Products and Services Marketing Research Techniques for Associations Building Effective Joint Venture Relationships with Private or Public Sector Groups	Business Sector Marketing Strategies Associations Can Provide Members Establishing Certification or Designation Programs Writing Grant Proposals Soliciting Donors

## Communications and Public Relations

Beginner	Intermediate	Advanced
ABCs of Sponsoring an Exhibition or Trade Show ABCs of Effective Newsletters (print and electronic) ABCs of Developing Trade Journal ABCs of an Effective Membership Directory Setting Up an Effective Speakers Bureau	Developing a Public Information or Awareness Campaign Building Relationships with the Media Maximizing Print Publications (e.g. editorial calendar and advertising)	Securing TV and Radio Coverage How to Handle the Media during an Industry Crisis

## Legislative and Regulatory Influence

Beginner	Intermediate	Advanced
ABCs of Developing Effective Public Policies Effective Lobbying Techniques Developing an Effective Issues Management System Building a Grassroots Network Setting Standards for the Industry or Profession	Strategies for Educating the General Community on Key Industry Issues	

## Leadership Development

Beginner	Intermediate	Advanced
Effective Recognition Programs Effective Negotiation Techniques Qualities and Characteristics of Effective Leaders Teambuilding Strategies Identifying, Recruiting, Motivating and Recognizing Volunteers Spokesperson Training	Strategic Thinking Processes Mentoring Future Leaders Developing Leadership Training Programs Preparing for Leadership Succession	Knowledge Management Strategies

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## **Additional Considerations Regarding the Consultation**

### **Overall**

Effectively evaluating the time necessary to complete any project is always a challenge. A wide variety of expected or unexpected events caused delays. The time required to complete the scope of work and its related deliverables (at a level of quality desired by both DAI/MAP and the consultant) far exceeded the time allotted for this project. The comments that follow are meant to serve as an analysis of what might be done differently in the future to make an interim assignment like this more productive for both DAI/MAP and a consultant.

### **General Logistics**

Securing consultants to serve on short-term assignments may be a very common part of the DAI culture. While the prospect of serving on an interim assignment was exciting, the process that followed for securing approval and obtaining logistical support was less so. What appeared to be a delay in communication between DAI/MAP and DAI/Bethesda seemed to complicate what might normally be a very simple administrative process. A great deal of information regarding logistics (air travel, ground travel, lodging, per diem, special paperwork, etc.) was only made available upon inquiry. The resulting perceptions at the beginning of this experience brought forth questions about the ability to be able to fulfill expectations.

### **Preparation**

A very short period of time was available to prepare for this assignment. Preparation was further complicated by the lack of the consultant seeking sufficient clarity and greater definition of the actions described in the scope of work and the deliverables. After thoughtful review, it was recognized that the scope of work and deliverables could be defined in a number of ways – depending on the reader’s point of view. A severe time difference, inability to connect routinely, unfamiliarity with the project and staff, organizational culture, and limited language barrier all seemed to be contributing factors. Some of the items in the scope of work could be read to have more than one meaning. For example “work closely with MAP’s Institutional Development Specialist (IDS), Sector Coordinators and the local subcontractor to review what has been done and develop the methodology, approach and work-plan to build sustainable and effective associations.” This could mean one of two things:

- develop a methodology and approach for conducting an analysis of an organization, then developing a plan (and work plan) for the association to follow; or
- develop a methodology and approach for conducting an analysis of an organization, then a plan for the DAI/MAP staff to follow to support the associations in the project

The amount of work required for the first is significantly greater than that for the second. And the ability to provide that level of support for all three was impossible within the allotted time. Adjusting the scope of work once on-site to reflect preparing a plan for one association as a pilot and having DAI/MAP staff create the other two was one way of mitigating the amount of work required to accomplish the task.

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### **Conducting an Organizational Review**

An organizational review is vastly different from an organizational audit. A review includes a brief discussion with key volunteer and staff leaders along with a brief review of the organization's primary and most important paperwork and literature. The short time between approval and departure for the assignment city made it difficult to get the kind of paperwork that would be of greatest value. Valuable time (at least three days) was lost reviewing important DAI/MAP and association paperwork on-site. In the future, DAI/MAP may want to develop a checklist of materials that should be provided to every consultant to help them understand the context, goals and constraints of the environment within which they will be working.

The first week and one-half was dedicated to reviewing material and conducting initial interviews. The initial interviews were important as they once again established DAI as an organization interested in listening to their needs first, rather than telling them how the project would unfold. In any event, the perspective was one the consultant needed to gain sufficient insight of the leaders representing each MBBO.

A substantial amount of work was then required to be accomplished within the time remaining. This required the consultant to often work independently of DAI/MAP staff. And in doing so, increased the danger of DAI/MAP staff not developing an ownership in the process, methodology or materials developed. While this strategy did allow the completion of a great deal of work (e.g. templates, three board orientations, staff training session, and two planning sessions with US&M), it left little time for preparation and reflection of the work. DAI/MAP might consider establishing more realistic scope of work for the time frame or extend the time frame to enable the scope of work to be accomplished. In either case, it is believed that a significant amount of work was accomplished on this assignment but pieces remain to be completed by the consultant that fall outside the allotted time.

### **Values, Principles, and Processes**

One key area of concern prior to accepting the assignment was to ensure that DAI/MAP staff were aware of the consultant's approach and philosophy regarding effective association management and leadership development. Upon arrival, it was discovered that while much of the principles and philosophies were similar, there was a key difference that could have a long-term negative impact. DAI/MAP had decided to focus its attention on getting leaders to view members as customers. The consultant's approach philosophy strongly suggested members were to be considered much more than customers. This one seemingly simple difference has widespread implications for the manner in which the organizational cultures for the MBBOs are built. While the short-term use of the word may be relevant for the current culture within the West Bank and Gaza, it is believed to have long-term negative impact. And, the difference of opinion created conflict with some staff and confusion among others.

DAI/MAP is encouraged to consider seriously the long-term impact of institutionalizing such a term in a non-profit setting. If the goal of the overall project is expecting these organizations to achieve self-reliance, then the need for members to feel connected and responsible for their organization will be critical. If the leaders are taught to consider the members as customers, they will use the customer model they have in their businesses (which does not encourage ownership

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and involvement in the organization). This philosophy may have been shared from the start, it is hard to remember though it was only a short time ago. But the philosophical approach is a serious one and it is recommended that DAI/MAP reconsider this concept.

### **Language Translation**

Another handicap that this consultant brought to the assignment was an inability to speak Arabic. This became more troublesome as time progressed on the project. It was very difficult and unfair to expect the DAI/MAP staff to serve as translator and participant at the scheduled meetings. Sooner or later, one role was abandoned for the other out of necessity. It remains unclear whether or not the consultant could have been more effective or provided greater support if there was a greater understanding of key discussions that took place during meetings. It is recommended that in the future, staff be relieved of this responsibility and an official simultaneous translator be secured to provide this support.

### **Organizational Sustainability**

One of the concerns that exists with a project of this kind is the pressure placed on organizations to become sustainable. If DAI/MAP provides substantial support to these organizations from the beginning, their focus to achieve sustainability might be misguided. Seeking quick sources of funding has always been attractive to non-profit organizations. The danger of doing so in this culture is that often donor-sponsored projects are not designed to support the organization's need but what the donor assumes is the organization's need. DAI/MAP will need to work very closely with these MBBOs to ensure they are not distracted from their mission and focus by going after resources that will support their budgets but in the end will not serve them or their members.

### **Selection and Use of Subcontractors**

The biggest difficulty in a developed country is finding individuals and companies with the background and competencies necessary to provide support. A developing country has an even greater difficulty. Recognizing this, special arrangements have been made to provide training to subcontractors who can then build the competencies necessary to support this unique part of the public sector. The premise is a good one. But, it remains unclear whether those who have been selected as subcontractors are truly best suited for the type of work required. When asked how and why the two subcontractors were selected to work on this project, the response highlighted their previous work (private sector/production support) and logistics (approval with funding sources) rather than their competence. It is possible for consultants to expand their area of expertise, additional concerns arose as more information became available.

- Comments on the work (for another project) from one subcontractor were circulating among the staff with regard to its poor quality. Out of simple frustration, the staff reported revising the work themselves rather than returning the work to the subcontractor. Another staff member reported experiencing the same problem and ended up completing the work independently of the subcontractor. In the end, the subcontractor appeared to have provided valuable support to DAI/MAP.
- A contract submitted for work for one of the MBBOs was reviewed. The approach reflected little awareness of the organization's current developmental status and



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suggested processes that lacked a thorough understanding of those required for associations. Further, recommendations to provide support to the MBBO far exceeded the level of services needed. And finally, the compensation requested was comparable with consultants who possess expertise in the area of association management. Of even greater concern was the inability of the subcontractor to recognize and admit his lack of experience in this area when interviewed.

Anyone can learn the principles, processes and practices that make associations operate effectively. DAI/MAP's objective to increase the competencies of subcontractors in this area is commendable, but it is recommended that if those selected do not reflect those competencies or experience required, a more unique contractual arrangement be established:

- work is accomplished in limited stages allowing DAI/MAP to monitor progress and quality
- work is completed at a reduced rate since the subcontractor will be gaining knowledge, experience and expertise as a result of the project
- the subcontractor be secured on a project-approval basis with contract clearly specifying scope of work and expectations of outcome. A special cancellation clause is suggested to be put in place if unacceptable work is submitted (allowing DAI/MAP staff to terminate arrangement if work does not comply with needs)
- subcontractor agrees to provide pro-bono training at least twice per year to other interested associations and management consultants on building an effective organizational infrastructure. This has a two-fold benefit: it can become a valuable marketing tool for the subcontractor and reinforce DAI/MAP's commitment to helping more MBBOs understand the dynamics required to become self-reliant.

This type of arrangement provides DAI/MAP the opportunity to accomplish the work required and instill association management competencies within private sector.

### **DAI/MAP Staff**

The DAI/MAP staff represent a fine group of dedicated professionals committed to the success of this project. Each brings a unique set of skills and expertise to the effort. During the time together, all clearly demonstrated a real passion for the development of the sector and the MBBO.

### **Follow-Up**

A general discussion took place at a brief debriefing meeting on Thursday, February 24<sup>th</sup> regarding the project. More discussion might have taken place regarding alternative plans should the consultant not be able to complete the plan of work with the Sector Coordinator on the following afternoon. A very full agenda during the remaining days made it difficult to provide adequate consultation support. Two tasks remain outstanding for completion within the original scope of work:

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- complete the comprehensive plan of work for US&M (including determining DAI/MAP level of support)
  - establish topics and session objectives for an Association Management Training Program

To complete these tasks, the following steps are recommended:

### **US&M Plan of Work**

This task requires a team for completion. If completed in isolation there is little chance that the plan will be used. The draft of the plan currently reflects mission, objectives, strategies and tactics for selected strategies. To successfully complete it, the following must be done:

- complete tactics for remaining strategies
- identify anticipated deadlines for completion of tactics
- establish budget estimates for new projects (or those no longer supported by US&M income)
- sort strategies and tactics on a three-year continuum
- identify volunteer and staff organizational structures
- identify financial and in-kind support DAI will provide with projections on US&M's ability to become self-reliant

It is recommended that the work be accomplished in the following manner:

- The Sector Coordinator complete the first two tasks in cooperation with the US&M Executive Director
- The Institutional Development Specialist works with the consultant to divide the tasks on the three-year continuum
- The Sector Coordinator, in cooperation with the US&M Executive Director and the Institutional Development Specialist will secure budget estimates and review with the consultant to determine the extent of DAI's financial and in-kind support
- Institutional Development Specialist, Sector Coordinator and consultant review and revise current staff organizational structure; suggest volunteer leadership organizational structure to support mission, objectives and strategies
- The Institutional Development Specialist and consultant in cooperation with Sector Coordinator will prepare projections on US&M's ability to become self-reliant over a three-year period

The time remaining to complete these tasks could run from 20 to 50 hours of work. Consultant commits to providing consultation support for the tasks listed above as part of the original scope of work.

### **Association Management Training Program**

This project can be accomplished without the support of DAI/MAP staff. A brief highlight of possible topics is included in this report. A much more detailed outline including session objectives will be forwarded under separate cover. The draft will be accompanied with a file on

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diskette (or sent as an email file) allowing for any modifications or changes to be made at DAI/MAP's discretion.

### **Conclusion**

DAI/MAP has embarked on a most worthwhile effort. Associations are powerful agents of social change. By supporting key business sectors in developing these organizational units, DAI/MAP is enabling these professionals and entrepreneurs the opportunity to direct their future in a way that could not be done before.

11.3.00